Microsoft | Volume Licensing

B r i e f

Microsoft Operating System License Requirements:
Initial Operating System and Transfer of License   **March 2005**

Open License ▪ Select License ▪ Enterprise Agreement (EA) & EA Subscription

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Discussion

Initial Operating System Requirements: Customers cannot acquire _full_ Microsoft® Windows® desktop operating system licenses through Microsoft Volume Licensing programs, only _upgrade_ licenses. Customers must first have a full desktop operating system installed on their machine _before_ they are eligible to acquire an upgrade license for Windows desktop operating system via Microsoft's volume licensing programs. Full Windows desktop operating system licenses can be acquired preinstalled on a new PC by an original equipment manufacturer ("OEM") or via retail, which is also known as full packaged product (FPP).

Transferring Operating Systems: The full license for the Windows desktop operating system is "tied" to the machine on which it is first installed. Customers may not transfer the operating system licenses from the original machine to a different machine.

However, Volume Licensing customers with a Windows desktop upgrade license are eligible to reassign Software Assurance coverage acquired for an underlying desktop operating system product installed on one computer to a replacement computer so long as (i) that replacement computer is licensed to run the latest version of the desktop operating system available as of the date of the reassignment, and (ii) the enrolled affiliate removes from the original computer any desktop operating system upgrades that were installed under the transferred Software Assurance coverage. An enrolled affiliate may not otherwise separate Software Assurance coverage from the underlying license for which it is ordered. (This would also apply to Upgrade Advantage under the same circumstances).

Questions & Answers

Q: What if a volume licensing customer purchases new machines that do not have an operating system pre-installed ("naked" PC)?
A: Customers should request that their new machines come with a desktop operating system pre-installed (i.e., Microsoft Windows XP Professional, OS/2, etc.). Microsoft's Volume Licensing programs only offer _upgrade_ licenses for the Windows desktop license. A customer will not be legally licensed for Microsoft desktop operating system software if they acquire a PC that does not have a full desktop operating system license preinstalled and then use the Windows upgrade license media acquired through a Volume Licensing program to install a full operating system license.

Q: Scenario: A customer has an older machine that came pre-installed with a Windows 98 license that the customer then upgraded to Windows XP Professional using a Windows XP Professional upgrade license acquired through their Volume Licensing program. If the customer decided to donate this machine to a charity, could they remove the newly installed Windows Professional upgrade license from that machine and transfer the license to a different machine within their organization?
A: No. Under Microsoft's Volume Licensing programs, operating system licenses are tied to the machine on which they are first installed. If a customer acquires a current Windows Professional upgrade license via Microsoft's volume licensing programs and then installs Windows Professional Upgrade on a given machine, the license is then tied to that machine and may not be transferred to another machine, regardless of whether or not the Windows Professional software is removed from the original machine.

Q: A Volume License customer is replacing an older PC and wants to order a new PC without a desktop operating system and install the Windows license by using their Volume License media. Can they do this?
A: No. A customer cannot acquire an initial or "full" Windows desktop license through any Microsoft volume licensing program. The Windows desktop upgrade license is for _upgrades_ only. The customer must first acquire a full Windows desktop license preinstalled by an OEM or through retail (full packaged product).